THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) The disinvestment policy envisages disinvestment of all PSUs in the non-strategic sector irrespective of whether such PSUs are making profit or incurring loss. Both HPCL and BPCL are operating in the non-strategic sector. The decision to disinvest HPCL and BPCL is in line with the aforesaid disinvestment policy. Further, the disinvestment of HPCL and BPCL would bring in the much-needed competition in the retail of petroleum products.

(c) After disinvestment of HPCL and BPCL, their shareholding in other oil companies would be governed by the relevant provisions of the Companies Act, 1956.

(d) and (e) In order to realise objectives of disinvestment like better corporate governance, fostering competition, putting national assets to optimal use, maximizing the productive potential inherent in the public sector, etc., Government decided in September 2002 that henceforth, as a general policy, Central Public Sector Undertakings and Central Government owned Cooperative Societies (i.e. where Government ownership is 51% or more) should not be permitted to participate in the disinvestment of other PSUs as bidders. In terms of the above decision, ONGC and for that matter any other Public Sector Undertaking would not be allowed to bid for HPCL.

(f) and (g) Suggestions to permit ONGC and certain PSUs in the Co-operative sector to bid for HPCL were received from a Member of Parliament.

Extension of disinvestment process

243. SHRI SURENDRA LATH: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have a proposal to extend disinvestment process to more areas;

(b) if so, the PSUs proposed to be disinvested during 2003-04; and

(c) the target set therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) On 16th March, 1999, the Government classified industries into 'strategic and non-strategic'. The following industries have been identified as strategic industries:-

(i) **Arms and ammunitions** and the allied items of defence equipment, defence air-crafts and warships;

(ii) **Atomic energy** (except in the areas related to generation of nuclear power and applications of radiation and radio-isotopes to agriculture medicine and non-strategic industries);

(iii) **Railway transport.**

Government has also decided that IOC, ONGC and GAIL be treated as flagship companies in the oil sector where Government shareholding would not be reduced below 51%. All other non-strategic Public Sector Enterprises can be disinvested.

(b) Disinvestment is a continuous process which is dependent on a number of market related external factors, which can cause delay. It is not, therefore, possible to exactly identify which PSUs will be disinvested in a particular year. However, currently there are 45 cases in which disinvestment decision have been taken and disinvestment is in progress as per the list given in the enclosed Statement (*See* below).

(c) The target for the amount to be raised through disinvestment is usually determined as a part of the Annual Budget of the Government. The target for the year 2003-04 is not yet known.

Statement

Name of the PSUs in which Disinvestment decision have been taken and disinvestment is in progress

I. **PSUs.**

1. Hindustan Organic Chemicals Ltd.
2. National Fertiliser Ltd.
3. Balmer Lawrie & Co. Ltd.
4. Braithwaite & Co.
5. Burn Standard & Co.

6. Bharat Heavy Plates & Vessels Ltd.
7. Engineering Projects India Ltd.
8. Fertiliser and Chemicals Travancore Ltd.
9. Hindustan Salts Ltd.
10. Hindustan Cables Ltd.
11. Hindustan Copper Ltd.
12. Instrumentation Control Valves Ltd. Palakkad
13. Madras Fertilizers Ltd.
14. MECON Ltd.
15. Minerals & Metal Trading Corporation
16. National Aluminium Company Ltd.
17. National Instruments Ltd.
18. NEPA Ltd.
19. State Trading Corporation of India Ltd.
20. Shipping Corporation of India
21. Tyre Corporation of India
22. Tungabhadra Steel Products Ltd.
23. Engineers India Ltd.
24. Manganese Ore India Ltd.
25. Sponge Iron India Ltd.
26. Bharat Ophthalmic Glass Ltd.
27. Instrumentation Ltd., Kota (Mother Unit)
28. Hindustan Paper Corporation Ltd.
29. Hotel Corporation of India Ltd. at Centaur Hotel Airport, Delhi (including Chefair Delhi)
30. Hotel Corporation of India Ltd. at Chefair Mumbai
31. ITDC Hotel Samrat, New Delhi (Lease-cum-management control)

32. ITDC Hotel Jaipur Ashok
33. ITDC Hotel Patliputra Ashok
34. ITDC Hotel Kalinga Ashok
35. ITDC Hotel Jammu Ashok
36. Bharat Petroleum Corporation Ltd.
37. Hindustan Petroleum Corporation Ltd.

II. Joint Sector hotel properties of ITDC, where Government is in discussion with State Governments

38. Hotel Neelachal Ashok; Puri
39. Hotel Lakeview Ashok; Bhopal
40. Hotel Ranchi Ashok, Ranchi
41. Hotel Bramputra Ashok; Guwahati
42. Hotel Pondicherry Ashok; Pondicherry
43. Hotel Donyi Polo Ashok; Itanagar
44. Hotel Punjab Ashok, Anandpur Sahib

III. Open offer of residual share in the market

45. Maruti Udyog Ltd.

Relations with neighbouring countries

244. SHRI P. PRABHAKAR REDDY: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether India's relationship is fast declining with her neighbours in the sub-continent.

(b) if so, the details thereof and the reasons therefor;

(c) whether Government proposes to take effective steps to improve Indo-Pak and Indo-Bangla ties; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) India remains firmly committed to good neighbourly relations with its neighbours and enjoys friendly